UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

ALLSTATE INSURANCE COMPANY, ALLSTATE INDEMNITY COMPANY, ALLSTATE PROPERTY & CASUALTY INSURANCE COMPANY, and ALLSTATE FIRE & CASUALTY INSURANCE COMPANY,

Plaintiffs,

vs.

SPINE CENTERS INSTITUTE, Inc., an Illinois Corporation (also doing business under its assumed name: *West Loop Ambulatory Care*); **PAIN NET MEDICAL GROUP, P.C.**, an Illinois Corporation, (also doing business under its assumed names: *Allcare Medical Physicians Group*, and *City North Surgical Associates*); **ROBERTO DIAZ, M.D.**, individually, and doing business as *Pain Net Medical Group, P.C., and Spine Centers Institute, Inc.*; **ROBERT SNYDER**, individually, and doing business as *Spine Centers Institute, Inc.*; and **SANDRA MARSH**, individually, and doing business as *Spine Centers Institute, Inc.*

Defendants.

Case No. 09 CV 1703

Judge John F. Grady

INITIAL STATUS REPORT

Plaintiffs Allstate Insurance Company, Allstate Indemnity Company, Allstate Fire & Casualty Insurance Company, and Allstate Property & Casualty Insurance Company ("Plaintiffs"), and Defendants Spine Centers Institute, Inc, Pain Net Medical Group and Dr. Roberto Diaz ("Diaz Defendants") and Robert Snyder and Sandra Marsh by and through their respective counsel of record, hereby jointly submit their Initial Status Report, and state as follows:

I. The Nature of the Case

A. Parties

Plaintiffs	Allstate Insurance Company, Allstate Indemnity Company, Allstate Fire & Casualty Insurance Company, and Allstate Property & Casualty Insurance Company
Defendants	Spine Centers Institute, Inc, Pain Net Medical Group, Dr. Roberto Diaz, Robert Snyder and Sandra Marsh

B. Attorneys of Record.

Plaintiffs' Counsel:	Mark A. LaRose (lead trial attorney), David Koppelman (co-lead trial attorney), Andrew Sperry LaRose & Bosco, Ltd.
Diaz Defendants' Counsel:	Marty J. Schwartz (lead trial attorney), Adam C. Gilgis Marty J. Schwartz & Associates
Defendants Snyder's and Marsh's Counsel:	Jeffrey G. Jacobs (lead trial attorney) The Law Office of Jeffrey G. Jacobs

C. Nature of Claims Asserted.

Defendants, Diaz, Snyder and Marsh, operated medical clinics in the Chicagoland area known as Defendants Pain Net Medical Group, P.C. and Spine Centers Institute, through which they created and submitted to Plaintiffs false and/or otherwise fraudulent billing statements, medical reports, physician's liens, and other medical related documentation seeking payment from Plaintiffs of in excess of $1,000,000.

Plaintiffs contend that defendants, Diaz, Snyder and Marsh, individually, and through the operation of Defendants Pain Net Medical Group, P.C., and Spine Centers Institute, engaged in the following fraudulent and improper acts: (a) Improper billing and fee splitting for MRI related services; (b) Improper billing and fee splitting for facility fees relating to medical procedures, such as Epidural Steroid Injections (ESI); (c) Improper billing for examinations and consultations; (d) Improper activities relating to in-house referrals for medical treatments, procedures, and diagnostic testing. Plaintiffs also contend that defendants have been unjustly enriched as a result of such fraudulent activities.

Defendants have denied all material claims and have asserted various affirmative defenses.

II. Discovery Plan

1. Date for Rule 26 (a) (1) Disclosures.

The parties propose February 11, 2011

2. Fact Discovery Completion Date.

The parties propose December 30, 2011.

4. Expert Discovery Completion Date (including dates for delivery of reports)

The parties propose March 30, 2012

5. Dates for Filing Dispositive Motions.

The parties propose May 31, 2012

6. Date for Filing Final Pre-Trial Order

The parties propose August 31, 2012

III. Trial

All parties have requested a jury trial. The parties estimate that the probable length of trial is two to three weeks. The case would potentially be ready for trial in the Fall of 2012.

IV. Consent to Proceed before a Magistrate Judge.

The parties do not consent unanimously to proceed before a Magistrate Judge.

V. Status of Settlement Discussions.

Settlement discussions have begun, however the parties do not request a settlement conference be scheduled at this time.

David Koppelman
One of the Attorneys for Plaintiffs
LaRose & Bosco, Ltd.
200 N. LaSalle Street, Suite 2810
Chicago, IL 60601
(312) 642-4414
Fax: (312) 642-0434
dkoppelman@laroseboscolaw.com

Jeffrey G. Jacobs, Esq.
The Law Office of Jeffrey G. Jacobs
15770 Laguna Canyon Road
Suite 100
Irvine, CA 92618
Office: 949/450.2968
Fax: 949/450.9368
JeffJ@Dane-memory.com

Marty J. Schwartz
Adam C. Gilgis
Marty J. Schwartz & Associates
Three First National Plaza
70 W. Madison St., Suite 4500
Chicago, IL 60602
(312)345-5750
FAX (312)345-5795
sosueme@savaho.com

CERTIFICATE OF SERVICE

I, David Koppelman, an attorney, certify that I caused the following document:

INITIAL STATUS REPORT

to be served upon the attorneys listed below by electronically filing the same, this **13th** day of **January, 2011.**

TO:
Attorneys for Defendants Diaz, Spine Centers Institute, Inc., and Pain Net Medical Group
Marty J. Schwartz
Adam C. Gilgis
Marty J. Schwartz & Associates
Three First National Plaza
70 W. Madison St., Suite 4500
Chicago, IL 60602

Attorneys for Defendants Snyder and Marsh
Jeffrey G. Jacobs, Esq.
The Law Office of Jeffrey G. Jacobs
15770 Laguna Canyon Road
Suite 100
Irvine, CA 92618

/s/ David Koppelman
David Koppelman

Mark A. LaRose
David Koppelman
Andrew Sperry
LaRose & Bosco, Ltd.
Attorneys for Plaintiffs
200 N. LaSalle Street, Suite 2810
Chicago, IL 60601
(312) 642-4414
Fax: (312) 642-0434